

in favor of France, and in a short time a metallic currency **was** permanently restored. And during all the terrific wars of Napoleon the metallic standard was always maintained at its full value.<sup>1</sup>

The end of the paper money phrensy saw credit again raising her head and several new banking institutions under way. The first one, founded in 1796, was known as the *Caisse des Comptes Courants* (Bank of Current Accounts), and had a capital of 5,000,000 francs (\$1,000,000). The circulation was 20,000,000 francs in bills of 500 and 1000 francs, and bills of exchange running for ninety days were discounted at six per cent.<sup>2</sup> The *Caisse des Comptes Courants* was created largely by bankers for bankers, and a party of business men, to escape what they regarded as a certain degree of favoritism, determined to found a banking association of their own. They established, November 24, 1797, for a term of three years, the *Caisse d'Escompte du Commerce* (Bank of Commercial Discounts), which proved so successful that it was renewed for an unlimited term. There was no fixed capital, but each new subscriber for a share of 10,000 francs (\$2000) increased the capital by so much until in less than four years it had reached 12,000,000 francs. Five thousand francs were paid on each share in cash and five thousand francs in bank-bills were endorsed by the subscriber with his own signature and afterwards countersigned by the bank. The plan proved so successful that it was imitated by the retailers, who organized the *Comptoir Commercial* (Commercial Bank). The *Caisse des Comptes Courants* and the *Caisse d'Escompte* accepted reciprocally each others bills and were doing an active and safe banking business when a new turn was given to the economic history of France by the *coup d'etat* of the Eighteenth. Brumaire (November 9, 1799), which made Napoleon Bonaparte First Consul and virtually the supreme ruler of France.

Bonaparte had hardly grasped power before he turned to his financial advisers for a plan for a national bank. They

<sup>1</sup> *Theory and Practice of Banking*, II., 258.

<sup>2</sup> Courtois, 109.

<sup>3</sup> Horn, 322.